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No. 93-1577 (11)

Supreme Court, U.S.
FILED
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In the Supreme Court of the United States

OCTOBER TERM, 1994

QUALITEX COMPANY, PETITIONER

v.

JACOBSEN PRODUCTS CO., INC., RESPONDENT

On Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit

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BRIEF FOR THE B.F. GOODRICH COMPANY AS AMICUS CURIAE SUPPORTING PETITIONER

DAVID L. WITCOFF
Mayer, Brown & Platt
190 South LaSalle Street
Chicago, Illinois 60603
(312) 701-7958

LAWRENCE S. ROBBINS
Counsel of Record
MYLES R. HANSEN
Mayer, Brown & Platt
2000 Pennsylvania Ave., N.W.
Washington, D.C. 20006
(202) 778-0611

MARY ANN TUCKER
HELEN A. ODAR
The B.F. Goodrich Company
9921 Brecksville Road
Brecksville, Ohio 44141
(216) 447-5926

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QUESTION PRESENTED

Whether the Lanham Act, 15 U.S.C. 1051 *et seq.*, prohibits the registration of color as a trademark.

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INTEREST OF THE AMICUS CURIAE

Amicus curiae, The B.F. Goodrich Company ("Goodrich"), is a New York corporation engaged in producing a wide array of products in the aerospace and specialty chemical industries, including specialty plastics. Among its many products, Goodrich and its licensees have invested more than a decade of effort, and millions of dollars,

to produce and market high-quality plastic fire sprinkler pipes and fittings with a distinctive orange color. The products are widely and readily identified by Goodrich's "ORANGE" trademarks.

In 1983, Goodrich began developing a CPVC (chlorinated polyvinyl chloride) compound solely for use in making fire sprinkler pipes and fittings. The natural color of the CPVC resin was off-white; rather than maintain that natural color, however, Goodrich decided to add an orange color to the resin in order to distinguish the sprinkler pipes and fittings made from the CPVC compound. Until recently, amicus' "ORANGE" pipes and fittings were the only orange plastic pipes and fittings in the entire fire sprinkler industry.

Goodrich has spent millions of dollars promoting these "ORANGE" products. The company's licensees have also aggressively promoted the "ORANGE" pipes and fittings. As a result, sales of Goodrich's "ORANGE" compounds and the "ORANGE" pipes and fittings have been strong, and its "ORANGE" trademarks have become enormously valuable business assets of the company.

To protect its substantial investment and rights, on April 15, 1991, Goodrich filed with the United States Patent and Trademark Office an application to register as a federal trademark the color "ORANGE" for CPVC compounds. On December 28, 1993, the Patent and Trademark Office issued United States Registration No. 1,813,257 covering the color "ORANGE" for CPVC compounds for use in making CPVC pipes and fittings for fire sprinkler systems.

On the same day it filed the "ORANGE" trademark application for CPVC compound, amicus also filed an application to register as a federal trademark the color "ORANGE" for CPVC pipes and fittings. The Patent and Trademark Office determined that Goodrich had met the requirements for federal trademark registration. Accordingly, on August 10, 1993, the Patent and Trademark Office

published the "ORANGE" trademark for CPVC sprinkler pipes and fittings in its Official Gazette, as it routinely does, inviting any private company that so desired to lodge an objection with the Patent and Trademark Office. Thereafter, potential competitors filed Notices of Opposition to the issuance of a registration covering amicus' "ORANGE" trademark for CPVC pipes and fittings for use in fire sprinkler systems.

The Court's resolution of the question presented will affect the company's pending trademark application and could undermine the substantial investment amicus has made during the past ten years in its "ORANGE" trademarks. More generally, Goodrich's practical experience with the issues at stake may provide additional perspective on the case before the Court.

INTRODUCTION AND SUMMARY OF ARGUMENT

When it enacted the Lanham Act in 1946, 15 U.S.C. 1051, *et seq.*, Congress articulated the central role of trademarks in a vibrant and competitive economy:

> Trade-marks * * * are the essence of competition, because they make possible a choice between competing articles by enabling the buyer to distinguish one from another. Trade-marks encourage the maintenance of quality by securing to the producer the benefit of the good reputation which excellence creates. To protect trade-marks, therefore, is to protect the public from deceit, to foster fair competition, and to secure to the business community the advantages of reputation and good will by preventing their diversion from those who have created them to those who have not.

Applying these fundamental principles, the Federal Circuit has held that color is entitled to registration as a trademark. *In re Owens-Corning Fiberglas Corp.*, 774 F.2d

1116, 1118 (1985). More recently, the Eighth Circuit reached the same conclusion. *Master Distributors, Inc.* v. *Pako Corporation*, 986 F.2d 219 (1993). By contrast, the Seventh Circuit in *Nutrasweet Company* v. *Stadt Corp.*, 917 F.2d 1024 (1990), cert. denied, 499 U.S. 983 (1991), and the Ninth Circuit in the present case have held that the Lanham Act flatly prohibits the registration of color trademarks.

In our view, the Federal and Eighth Circuits have much the better of the argument. The plain language of the statute, confirmed by its broad purposes and legislative history, permit the registration of color. And if there were any lingering doubt on the matter, the Patent and Trademark Office's permissible construction of the Act to allow such registrations is entitled to substantial deference.

The court below took a different view, but its conclusions find no support in the statute. Even if there were — as the court of appeals supposed (Pet. App. 7a) — potential problems of "color depletion" or "shade confusion," those would not warrant a *per se* prohibition for color. Rather, those concerns could, and should, be accommodated on an application-by-application basis — without rewriting the broad, inclusionary language of the statute.

ARGUMENT

THE LANHAM ACT PERMITS THE REGISTRATION OF COLOR TRADEMARKS

"Congress enacted the Lanham Act in 1946 in order to provide national protection for trademarks used in interstate and foreign commerce." *Park 'N Fly, Inc.* v. *Dollar Park and Fly, Inc.*, 469 U.S. 189, 193 (1985). The statute is deliberately broad. As this Court has explained, "Congress determined that 'a sound public policy requires that trademarks should receive nationally the greatest protection that can be given them.'" *Ibid.* (quoting S. Rep. No. 1333, 79th Cong., 2d Sess., 6 (1946)). The language, purposes,

history, and administrative construction of the Act reflect that broad purpose. Taken together, these statutory sources clearly permit the registration of color trademarks.

A. The Plain Language And Legislative History Of The Lanham Act Clearly Permit The Registration Of Color Trademarks.

1. Interpretation of the Lanham Act "must begin with the language employed by Congress and the assumption that the ordinary meaning of that language accurately expresses the legislative purpose." *Park 'N Fly*, 469 U.S. at 194. Here, the text is dispositive: "trademark" expressly "includes any word, name, symbol, or device, or any combination thereof * * * used by a person * * * to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of those goods, even if that source is unknown" (15 U.S.C. 1127). That definition easily embraces color. Color is certainly a "symbol or device" that is capable of "distinguishing" goods from those sold by others and can readily "indicate the source of those goods." Indeed, Goodrich's use of ORANGE illustrates the point. The company has invested substantial resources "using" the color orange to "identify and distinguish" its CPVC pipes and fittings. And the available evidence confirms that, as a result, the color "indicates the source of the goods."

Because color is well within the broad definition of "trademark," the statute clearly permits its registration. The Act specifically prescribes that "[n]o trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature" — unless it falls within one or more narrowly defined exceptions. See 15 U.S.C. 1052.[1] Since

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[1] Under 15 U.S.C. 1052 registration may be refused if the trademark consists of: immoral or scandalous matter; deceptive

none of those exceptions applies to color — as the court below expressly recognized (see Pet. App. 5a) — the Act clearly permits color registration. Absent an "express exclusion," the statute flatly states that "nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of the applicant's goods in commerce" (15 U.S.C. 1052(f)).

2. Recent legislative history of the Lanham Act confirms that color may be registered as a trademark. The Lanham Act was "substantially amended" (*Two Pesos, Inc.* v. *Taco Cabana, Inc.*, 112 S. Ct. 2753, 2757 n.7 (1992)) by the Trademark Law Revision Act of 1988, Pub. L. No. 100-667, 102 Stat. 3935 (1988) ("TLRA"). One of those amendments was to the definition of "trademark." But in making that very crucial amendment, Congress made quite clear that it sought to *preserve* the availability of trademark registration for color. As the Senate Report explained: "The revised definition intentionally retain[ed] * * * the words 'symbol or device' so as not to preclude the registration of *colors*, shapes, sounds or configurations where they function as trademarks." S. Rep. 100-515, 100th Cong., 2d Sess., 44 (1988) (emphasis added).

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matter; matter that may disparage, falsely suggest a connection, or bring into contempt or disrepute; a flag, coat of arms or other insignia of the United States, or a state, municipality, or foreign nation; the name, portrait, or signature of a particular living individual or deceased U.S. president without consent; matter that may cause confusion or mistake with respect to a registered or pending trademark; matter that is merely descriptive of the goods; or, is merely a surname. The Patent and Trademark Office also recognizes several non-Lanham Act grounds for refusing to issue a registration. See Patent and Trademark Office, *Trademark Manual of Examining Procedures* § 1205 (2d ed. 1993) (discussing various federal statutes protecting symbols such as "Smokey Bear," as well as the Paris Convention for the Protection of Industrial Property).

The TLRA was based on recommendations of the Trademark Review Commission (the "Commission") of the United States Trademark Association. S. Rep. 100-515, at 2-3; H. Rep. 100-1028, 100th Cong., 2d Sess., 2-3 (1988). In discussing the appropriate definition of "trademark," the Commission explained (77 Trademark Rep. 375, 421 (1987) (emphasis added)):

> The Commission determined that the terms "symbol, or device" should not be deleted or narrowed to preclude registration of such things as a *color*, shape, smell, sound, or configuration which functions as a mark. The Commission does not intend to limit in any way the subject matter which historically has qualified as a trademark or service mark.[2]

The language and history of the Lanham Act could not be plainer: color registration is clearly permitted. Because "the intent of Congress is clear, that is the end of the matter." *Chevron U.S.A., Inc.* v. *Natural Resources Defense Council, Inc.*, 467 U.S. 837, 842 (1984).

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[2] The Senate report on the TLRA described the process by which the Commission reached its recommendations (S. Rep. 100-515, 100th Cong., 2d Sess., 2-3):

> [T]he 2-year study * * * was not limited to the views of the Commission's 29 members. Throughout the process, input from diverse public and private interests served by the Lanham Act was sought. Hundreds of trademark owners and practitioners, more than 50 organizations, Government officials in the United States and abroad, and eminent scholars in the fields of constitutional, commercial, trademarks and unfair competition law contributed to the project.

B. The Patent And Trademark Office Has Construed The Lanham Act As Permitting The Registration of Color Trademarks, And That Determination Is Entitled To Substantial Deference.

Although the statute is surely plain enough, any lingering doubt should be resolved in favor of registration in light of the judgment of the Patent and Trademark Office ("PTO") that the Lanham Act permits color registration. It is, of course, well settled that the construction of a statute by an agency charged with administering that statute may not be disturbed if it is a plausible construction of the statute and does not otherwise conflict with the express intent of Congress. *Rust* v. *Sullivan*, 500 U.S. 173, 184 (1991); *Chevron*, 467 U.S. at 843-844. The PTO is charged with administering trademark registrations under the Lanham Act, and it is vested with substantial responsibilities in that connection. See 15 U.S.C. 1051 (applications to be filed with the PTO); 15 U.S.C. 1062 (authority to determine entitlement to registration); and 15 U.S.C. 1123 (authority to promulgate rules regarding trademark applications).[3]

Even before the Federal Circuit's decision in *Owens-Corning*, the PTO's Trademark Trial and Appeal Board had determined that "the overall color of goods is capable of functioning as a trademark." *Owens-Corning*, 774 F.2d at 1118. The Office's position on the issue is set out in its

[3] Trademark registration is not reflexively granted. *Park 'N Fly*, 469 U.S. at 202 (setting out the examination process, as well as the potential for challenges to the registration of a trademark). Amicus' own experience with registrations of its color marks demonstrates that both the Patent and Trademark Office, as well as the public, are able to bring substantial scrutiny to the registration process. Indeed, public opposition to Goodrich's color trademark has substantially delayed approval. And even in the event approval issues, the public may petition for cancellation of the trademark. See 15 U.S.C. 1064.

Trademark Manual of Examining Procedure. "The Manual contains guidelines for Examining Attorneys and materials in the nature of information and interpretation, and outlines the procedures which Examining Attorneys are required or authorized to follow in the examination of trademark applications." Patent and Trademark Office, *Trademark Manual of Examining Procedure* iii (2d ed. 1993) ("Trademark Manual"). With regard to the registrability of color, the Trademark Manual emphatically states (*Id.* § 1202.04(e) at 1202-13):

> [C]olor can function as a trademark if it is used on the goods in the manner of a trademark and if it is perceived by the purchasing public as identifying and distinguishing the goods on which it is used and indicating their source.

That policy statement is entirely consistent with the statute. See *Owens-Corning*, 774 F.2d at 1118; *Master Distributors, Inc.*, 986 F.2d at 224. Indeed, the court below acknowledged that the PTO's construction did not conflict with any express language of the Lanham Act. See Pet. App. 5a. Because the PTO has articulated a permissible construction of the Lanham Act, that construction is entitled to substantial deference. See *Rust*, 500 U.S. at 184; *Chevron*, 467 U.S. at 844. And deference is particularly appropriate in this setting because Congress has expressly stated in the Lanham Act that "[a] certificate of registration of a mark upon the principal register provided by this chapter shall be prima facie evidence of the validity of the registered mark * * *" (15 U.S.C. 1057(b)).[4]

[4] Additional support for the conclusion that the Lanham Act permits the registration of color trademarks can be derived from the implementation of the North American Free Trade Agreement ("NAFTA"). NAFTA, signed by the President on December 17, 1992, expressly requires, in Article 1708, that each party to the

C. The Concerns Articulated By The Court Of Appeals Do Not Require A *Per Se* Bar To Registration Of Color Trademarks.

The court of appeals recognized that "[r]egistration of mere color is not explicitly barred by the Lanham Act." Pet. App. 5a. It concluded, however, that the prospect of "shade confusion" or "color depletion" required a different result. *Id.* at 7a. Neither concern warrants a *per se* bar to the registration of color trademarks.[5]

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agreement provide a system for the registration of trademarks. NAFTA, *reprinted in* H. Doc. 103-159, 103d Cong., 1st Sess., Vol. 1, at 1200-1202 (1993). Article 1708 explicitly defines the term "trademark" to include colors. *Id.* at 1200 ("a trademark consists of any sign * * * capable of distinguishing the goods or services of one person from those of another, including * * * colors"). By subscribing to the Agreement, the United States represented that its laws will provide for the registration of color trademarks.

In 1993, Congress enacted the North American Free Trade Agreement Implementation Act, Pub. L. No. 103-182, 107 Stat. 2057 (1993) (the "Implementation Act"), in order to effect whatever changes in United States law were necessary to implement NAFTA. See The North American Free Trade Agreement Implementation Act: Statement of Administrative Action, *reprinted in* H. Doc. 103-159, 103d Cong., 1st Sess., Vol. 1, at 450 (1993). Presumably, if current United States law did not already permit the registration of color trademarks, the Implementation Act would have addressed that issue. But the Act made no changes to the Lanham Act with respect to the registrability of color trademarks. See Implementation Act §§ 331-335. The absence of any such changes confirms that existing law already provided for such registrations.

[5] The court of appeals also suggested that registration was unnecessary because sufficient "protection is afforded by the Lanham Act's unfair competition provisions." Pet. App. 7a-8a.

1. Shade Confusion.

Some courts have speculated that color trademarks should not be granted registration because "infringement actions could soon degenerate into questions of shade confusion." *Nutrasweet Company*, 917 F.2d at 1027. But "[o]ne searches the language of the Lanham Act in vain" (*Park 'N Fly*, 469 U.S. at 196) to locate such an exception to the plain mandate of the text. What is more, even if there are, occasionally, cases that pose some difficulty in "[d]rawing distinctions" among colors, that is hardly a reason to create a *per se* exception from the statute. After all, courts are routinely called upon to decide equally complex factual issues in trademark cases, and there is no reason to believe that resolving questions of "shade confusion" is outside the competence of the courts. See *Master Distributors, Inc.*, 986 F.2d at 223.

2. Color Depletion.

The court below also surmised (Pet. App. 7a) that if registrations were granted for colors, competitors would find themselves at an increasing disadvantage as the available

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That is unpersuasive. "Registration of a mark on the federal Principal Register confers a number of procedural and substantive legal advantages over reliance on common law rights." J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition* § 19.05 (3d ed. 1994) (listing several advantages, including: federal jurisdiction for infringement actions without the necessity of any required amount in controversy; the availability of treble damages and attorney fees; prima facie evidence of the validity of the registered mark; the possibility that the mark will become "incontestable"; and the elimination, through constructive notice, of good faith adoption defenses). Because of those advantages, the option of enforcing common law trademark rights through an unfair competition action under Section 43(a) of the Lanham Act is not as useful as registration, and thus is no basis for refusing registration of an otherwise valid trademark.

colors are "depleted." See *McCarthy on Trademarks* § 7.16[1]. But as the court explained in *Owens-Corning*, that concern does not warrant a *per se* prohibition — which, as the court explained, is "in conflict with the liberating purposes of the Act." *Owens-Corning*, 774 F.2d at 1120. In the first place, it is doubtful that a full spectrum of color would ever be monopolized through registration. See *Master Distributors*, 986 F.2d at 223 ("Until secondary meaning has been established in every distinguishable shade of color and in no color at all, a highly improbable situation, there will always be an option available to a new market entrant"); see also, Newman, *Kill the "Mere Color" Rule*, 61 U. Chi. L. Rev. 1595, 1610 (1994) ("[U]nder good lighting conditions the average person can distinguish among five million shades"). In any event, if — in a particular case — color depletion threatens the pro-competitive premises of the Lanham Act, registration can be denied on a case-by-case basis. Indeed, where there is a serious risk of actual color depletion, color would likely be considered "functional" for that particular product, and thus outside the ambit of trademark protection. See *Inwood Laboratories, Inc.* v. *Ives Laboratories, Inc.*, 456 U.S. 844, 853 (1982) (describing a finding that the color of certain drugs was functional and thus unprotectible). In that event, competitors that wished to use that color would be free to do so. But there is no need for a *per se* rule. And more fundamentally, such a *per se*, and ad hoc, exception to the broad reach of the statute cannot be squared with its plain meaning and evident purposes.

CONCLUSION

The judgment of the court of appeals should be reversed.

Respectfully submitted.

DAVID L. WITCOFF
Mayer, Brown & Platt
190 South LaSalle Street
Chicago, Illinois 60603
(312) 701-7958

LAWRENCE S. ROBBINS
Counsel of Record
MYLES R. HANSEN
Mayer, Brown & Platt
2000 Pennsylvania Ave., N.W.
Washington, D.C. 20006
(202) 778-0611

MARY ANN TUCKER
HELEN A. ODAR
The B.F. Goodrich Company
9921 Brecksville Road
Brecksville, Ohio 44141
(216) 447-5926

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